

February 21, 1996 LB 972, 973

SENATOR BEUTLER: Thank you.

SENATOR HILGERT: You bet.

SENATOR CROSBY: Thank you, Senator Beutler. Further discussion on 972? Seeing none, Senator Hilgert, to close. He waives closing. The question is the advancement to E & R Initial of LB 972. All in favor vote aye, opposed no. We're voting to advance LB 972. Have you all voted? Record please.

CLERK: 26 ayes, 0 nays, Madam President, on the adoption of the motion to advance LB 972.

SENATOR CROSBY: LB 972 advances. LB 973.

CLERK: (LB) 973, Madam President, a bill by Senator Lindsay. (Read title.) The bill was introduced on January 4, referred to the Banking Committee, advanced to General File. I have no amendments to the bill.

SENATOR CROSBY: Senator Lindsay.

SENATOR LINDSAY: Thank you, Senator Crosby, members of the Legislature. This, LB 973, would adopt the Uniform Management of Institutional Funds Act. It's one of those few times that, that I had an opportunity to introduce a uniform act before Senator Landis got to it. And for that reason alone I think this will probably go down as the most memorable event in my career. But it also is important because it allows me to use the word eleemosynary on the floor of the Legislature. And that is what the bill deals with is eleemosynary charitable institutions. The bill provides, and let me first mention that the bill has been either adopted in totality or a portion of the act in 39 states, so it's, this has a well defined, or well developed case law that backs it up. What the bill would do is primarily to give boards of trustees of those charitable institutions, first thing it would give more direction in how they may invest and expend income, particularly in the area of appreciated assets, specifically the, in appreciated assets to give the ability to utilize unrealized gains. Second thing is to set a standard, a standard by which the board makes investment decisions. And that would be making an investment decision on the...it adopts a standard of ordinary business standard of...care of...standard of care and prudence. The